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## Testimony

Before the Committee on Finance, U.S. Senate

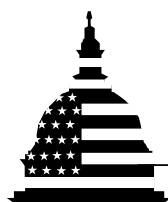
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# HEALTH INSURANCE

## Characteristics and Trends in the Uninsured Population

Statement of Kathryn G. Allen, Director  
Health Care—Medicaid and Private Health Insurance Issues



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# Health Insurance: Characteristics and Trends in the Uninsured Population

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Mr. Chairman and Members of the Committee:

I am pleased to be here today as the Committee considers strategies to address the problem of Americans lacking health insurance. Given the risk of catastrophic illness or injury, which can devastate families financially, as well as the importance of access to effective preventive care, health insurance is critical from an individual and social perspective. Nevertheless, more than 1 in 6 nonelderly Americans are today uninsured. The lack of insurance coverage does not affect all Americans equally, varying widely among demographic subgroups as well as geographically. To better understand the extent of the problem, my remarks today will focus on

- the number of uninsured individuals and recent trends,
- the employment and income status and other demographic characteristics of persons who are more likely to be uninsured, and
- the variation among states in uninsured rates.

My comments are based on our ongoing analyses of the Bureau of the Census' Current Population Series, March Supplements, 1995 to 2000; our work on the private insurance market; and other published research.

In summary, an estimated 42.1 million Americans were uninsured in 1999, representing 17.4 percent of the nonelderly population. Although down from a high of 43.9 million in 1998 (18.4 percent), the number of uninsured Americans had risen steadily for over a decade.<sup>1</sup> This increase has taken place in spite of gradual but steady gains in the share of Americans with employment-based coverage, and also was accompanied by slight decreases in public sources of coverage such as Medicaid, the federal-state health financing program for low-income, aged, and disabled people. More recently, between 1998 and 1999 the number of Medicaid beneficiaries has begun to stabilize. This stabilization, in conjunction with the continued increase in employment-based coverage and the implementation of the new State Children's Health Insurance Program (SCHIP), has contributed to the slight decrease in the number of uninsured, particularly children, in 1999.

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<sup>1</sup>For information on trends in the uninsured population as well as employment-based and Medicaid coverage from 1980 to 1995, see *Private Health Insurance: Continued Erosion of Coverage Linked to Cost Pressures* (GAO/HEHS-97-122, July 24, 1997).

Although most nonelderly Americans obtain health insurance through employment, three-fourths of all uninsured adults are in fact employed. However, certain types of workers are less likely to have employment-based insurance available and thus are more likely to be uninsured. In particular, those working part-time, for small firms, or in certain industries such as agriculture or construction were among the most likely to be uninsured. Not surprisingly, persons with low incomes are most likely to be uninsured, with most uninsured individuals in families earning less than 200 percent of the federal poverty level (which was about \$34,000 for a family of four in 1999). Public programs like Medicaid and SCHIP cover many low-income individuals, but significant numbers of low-income children and adults eligible for these programs are not enrolled. Moreover, other low-income individuals (particularly childless adults) are typically not eligible. While low-income individuals are most likely to be uninsured, 8 percent of those earning more than 4 times the federal poverty level are also uninsured. Other populations with a disproportionately high uninsured rate include young adults, Hispanics, and immigrants,<sup>2</sup> in part because of their type of employment, relatively low incomes, or ineligibility for public programs.

The share of people who are uninsured varies considerably across states, ranging from less than 10 percent to nearly 27 percent of all nonelderly residents in a state. Generally, southern and western states have higher uninsured rates. States with high uninsured rates and those with low rates often are distinct with regard to several demographic, employment, and economic characteristics. Specifically, states with higher than average uninsured rates tend to have higher unemployment, proportionally fewer employers offering coverage to their workers, and larger than average populations of low-income residents, Hispanics, and immigrants than states with lower uninsured rates.

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## Background

The availability of health insurance enhances access to preventive, diagnostic, and treatment services and also provides financial security against potential catastrophic costs associated with medical care. As a result, lacking health insurance coverage can have important adverse health and financial consequences. Research has demonstrated that uninsured individuals are less likely to have a usual source of care, are more likely to have difficulty in accessing health care, and generally have lower utilization rates for all major health care services. For example, the uninsured are particularly likely to forego services such as periodic check-

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<sup>2</sup>For analysis purposes, we defined immigrant as any non-native-born resident.

ups and preventive services, well-child visits, prescription drugs, eyeglasses, and dental care. As a result, individuals not covered by health insurance can require acute, costly medical attention for conditions that may be preventable with early detection and/or treatment. For example, studies<sup>3</sup> have found that

- the uninsured are hospitalized at least 50 percent more often than the insured for “avoidable hospital conditions” like pneumonia and uncontrolled diabetes;
- uninsured people with various cancers are more likely diagnosed with later-stage cancer than individuals with insurance; and,
- uninsured pregnant women receive prenatal care later in their pregnancy and have fewer doctor visits than the privately insured and, as a result, their newborn infants have a 31 percent greater risk for adverse health outcomes such as physical disability or mental retardation.

In addition, individuals without health insurance create a public cost because of their higher proportion of hospital emergency room visits. Uninsured adults are 4 times and uninsured children 5 times more likely to use the emergency room, compared with the insured. Costs for the uninsured are often absorbed by providers, passed on to the insured through increased fees and insurance premiums, or underwritten with public funds to support public hospitals and finance public insurance programs.

Most nonelderly Americans obtain private health insurance coverage through employment or by purchasing insurance on their own, and public programs provide coverage for certain low-income and disabled individuals. Since World War II, many employers have voluntarily sponsored health insurance as a benefit to employees for purposes of recruitment and retention. The federal tax code provides incentives for employers to subsidize health benefits because their contributions can be deducted as a business expense, and these contributions are not considered taxable income for employees. Public programs such as Medicaid and SCHIP cover certain low-income and disabled individuals. However, not all low-income individuals are eligible for these public programs because eligibility is often restricted to selected groups such as

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<sup>3</sup>For more information, see *No Health Insurance? It's Enough to Make You Sick—Scientific Research Linking the Lack of Health Coverage to Poor Health* (Philadelphia, Pa.: American College of Physicians—American Society of Internal Medicine), and *Uninsured in America—A Chart Book*, 2<sup>nd</sup> ed. (The Kaiser Commission on Medicaid and the Uninsured, May 2000).

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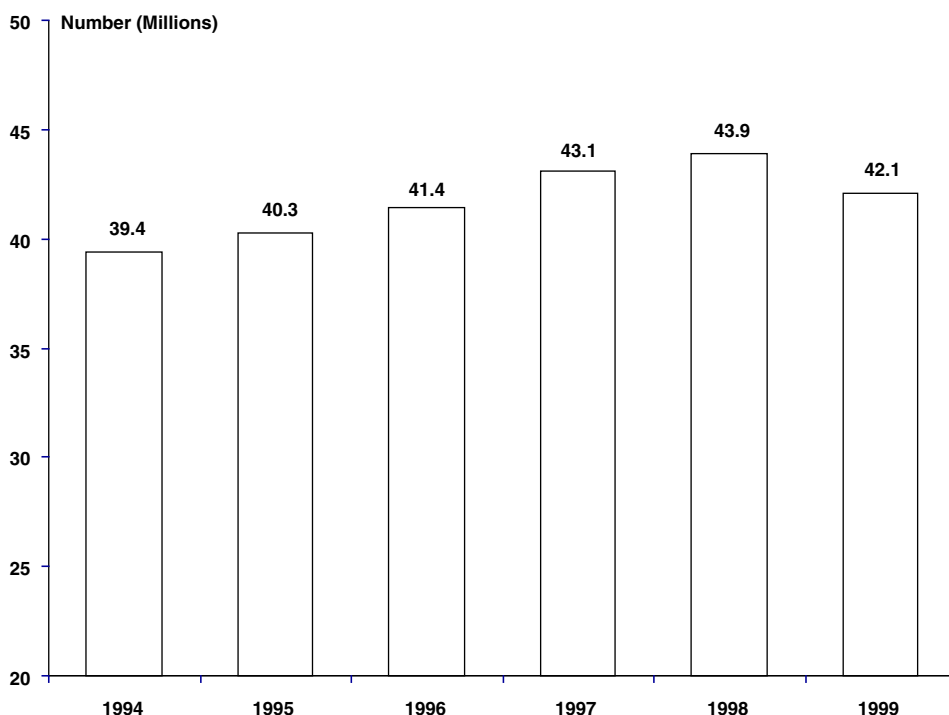
children, pregnant women, or disabled individuals. Medicare, though primarily a source of health coverage for elderly Americans, also covers certain disabled nonelderly individuals.

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## More Than 42 Million Americans Were Uninsured in 1999

After more than a decade of steady growth, the number of uninsured declined slightly in 1999. Between 1994 and 1998, the number of uninsured Americans grew steadily from 39.4 million (17.1 percent of the U.S. nonelderly population) to 43.9 million (18.4 percent), while in 1999 the uninsured population declined to 42.1 million (17.4 percent). (See fig. 1.)

**Figure 1: Growth in the Number of Uninsured Americans, 1994-99**



Source: GAO analyses of the March 1995 to March 2000 Supplements, Current Population Survey of nonelderly (under 65).

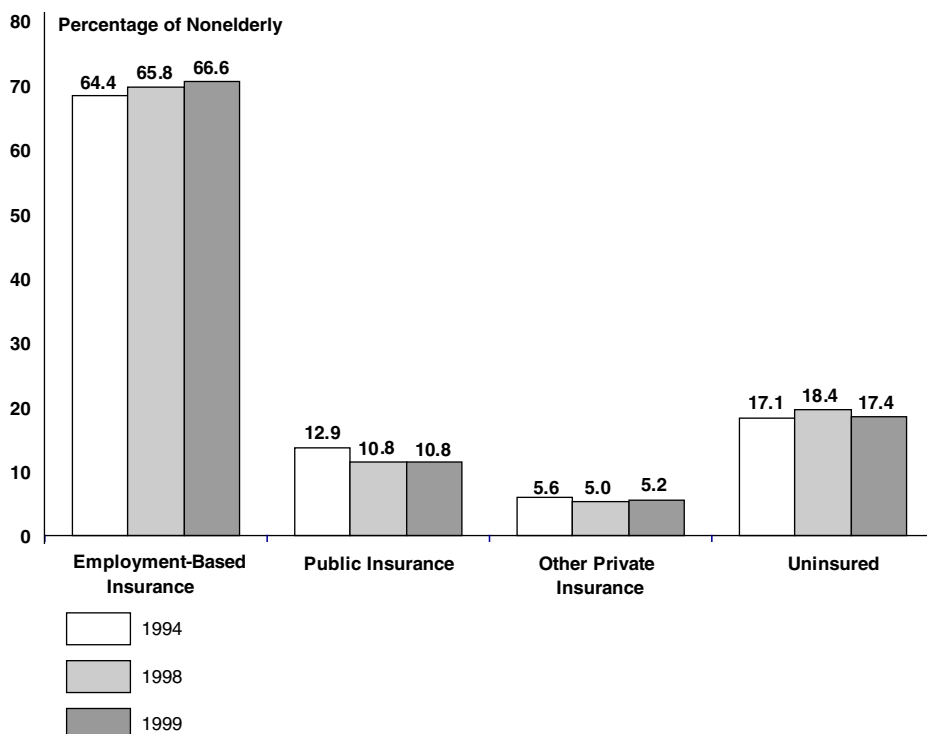
Trends in the uninsured population are closely related to changes in employment-based and public programs. (See fig. 2.) Reflective of the strong economy, the share of the nonelderly population with employment-based coverage grew slowly throughout the entire 1994 to 1999 period, increasing from 64.4 to 66.6 percent. Between 1994 and 1998, there was a decline in the percentage of the nonelderly population covered through public programs, from 12.9 to 10.8 percent, associated with increases in the numbers of individuals with employment-based coverage as well as in the numbers of uninsured. However, from 1998 to 1999, the continued increase in employment-based coverage, coupled with a stabilization in publicly supported coverage, largely accounts for the decrease in the number of uninsured. Notably, the share of children who were uninsured declined from 15.4 percent to 13.9 percent, representing about 1 million fewer uninsured children in 1999 than 1998—a change likely related

strongly to the implementation of SCHIP.<sup>4</sup> The Health Care Financing Administration reported that nearly 2 million children had enrolled in SCHIP as of September 1999.

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<sup>4</sup>While the insurance coverage statistics from the Current Population Survey did not separately identify SCHIP enrollment, the data do provide some indications of the effects of SCHIP in decreasing the number of uninsured children. Specifically, the decline in the uninsured among children reported by the Current Population Survey was predominantly among children in families below 200 percent of the federal poverty level—the income group targeted by SCHIP—and was accompanied by increases in the proportion of children with public coverage.

**Figure 2: Changes in Sources of Health Insurance Coverage, 1994, 1998, and 1999**



Note: Some people may receive coverage from several sources. To avoid double counting, we assigned an individual reporting coverage from two or more sources to one source, based on a hierarchy in the following order: employment-based, Medicare, Medicaid, other public, and other private.

Source: GAO analyses of the March 1995, March 1999, and March 2000 Supplements, Current Population Survey of nonelderly (under 65).

## Despite Widespread Private Employment-Based and Public Program Coverage, Many Workers and Low-Income Individuals Remain Uninsured

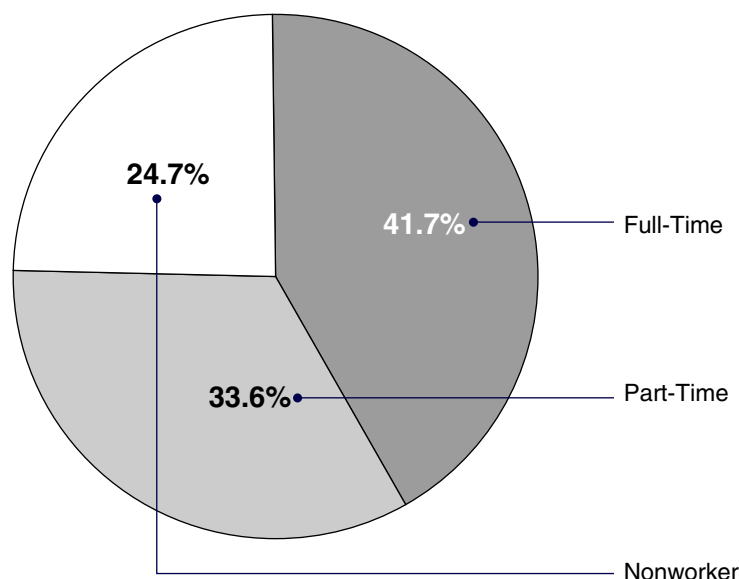
Access to affordable employment-based coverage is the primary means for nonelderly Americans to obtain health insurance, but the availability of this coverage varies. Most uninsured individuals are employed but working at small businesses or in certain industries where they are less likely to be offered coverage and are therefore more likely to be uninsured. Although public programs cover many low-income individuals, this group is still the most likely to be uninsured since many either are not eligible for these programs or are not enrolled even if they are eligible. Furthermore, disproportionately large shares of young adults, Hispanics, and immigrants are uninsured.



## Employer Coverage, the Principal Source of Health Insurance, Is Not Universally Available

Although employment-based health insurance is the major source of coverage and insures two-thirds of nonelderly Americans, a significant number of workers do not have health insurance because either their employers do not offer it or they choose not to purchase it. In fact, about three-quarters of the uninsured population in 1999 worked either full- or part-time. (See fig. 3.)

**Figure 3: Most Uninsured Adults Are Employed (1999)**

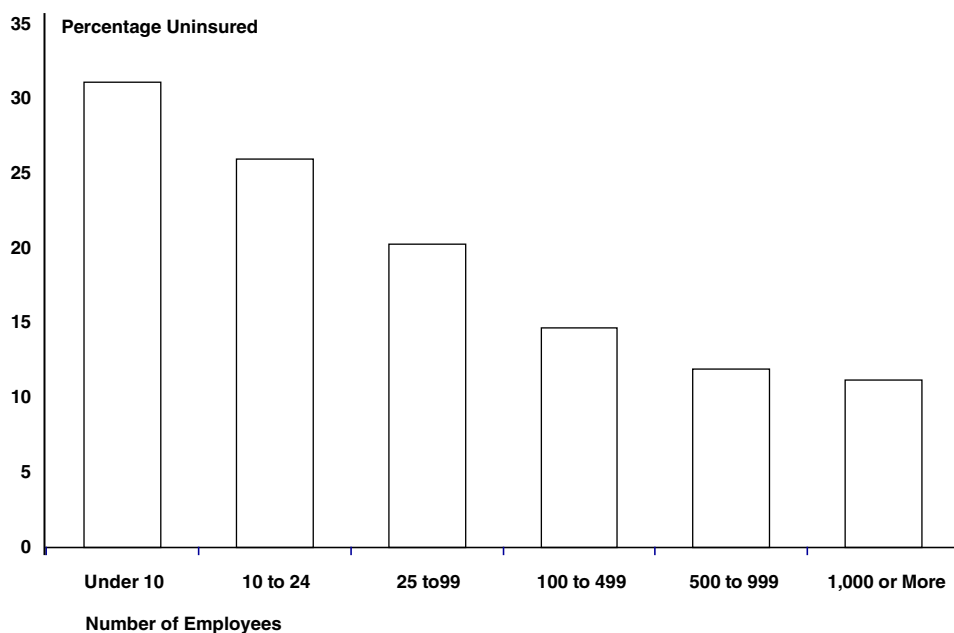


Source: GAO analysis of the March 2000 Supplement, Current Population Survey of nonelderly adults (18- to 64-year-olds).

Lack of insurance coverage is more common among certain types of workers, employers, and industries. Employers often do not offer health benefits to part-time workers. As a result, part-time workers are almost as likely to be uninsured as nonworkers, and nearly twice as likely to be uninsured as full-time workers. Employees of small firms are more likely to be uninsured than those working for larger firms, with the likelihood of being uninsured decreasing as the size of the firm increases. Of those working for firms with fewer than 10 employees, 30 percent were uninsured in 1999, compared with only about 11 percent of those working for firms with more than 1,000 employees. (See fig. 4.) In large part this is because small employers are much less likely to offer health insurance to their employees than larger employers: only 36 percent of private establishments with fewer than 10 employees offered health insurance in

1998, compared with nearly all private establishments with 50 or more workers.<sup>5</sup>

**Figure 4: Employees of Small Firms More Likely to Be Uninsured (1999)**

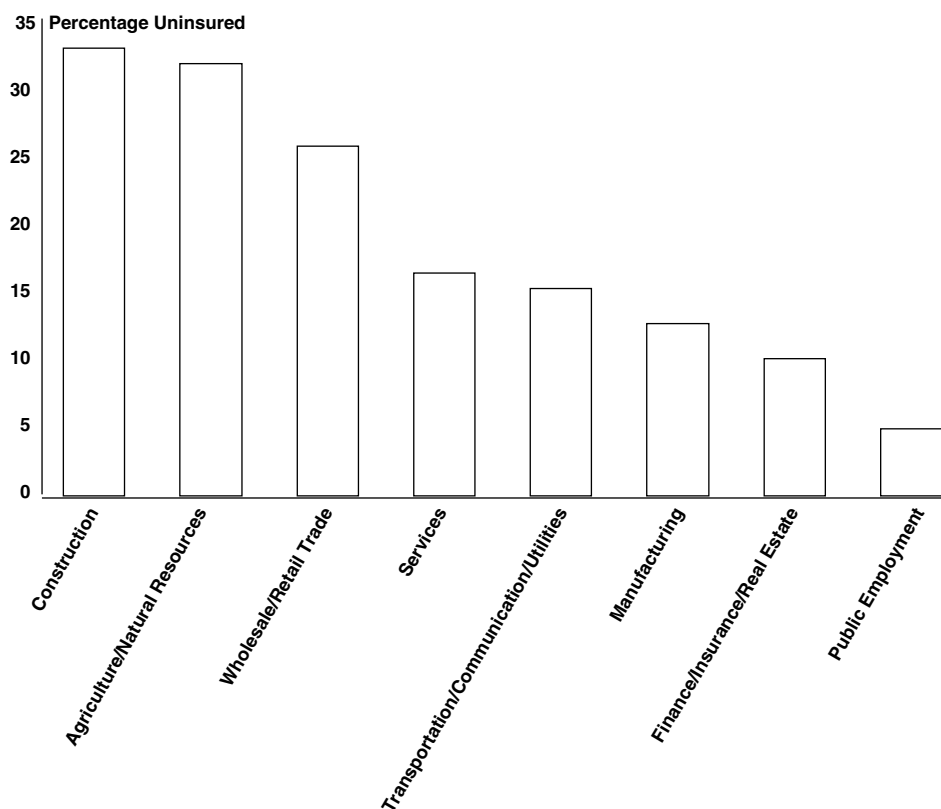


Source: GAO analysis of the March 2000 Supplement, Current Population Survey of nonelderly adults (18- to 64-year-olds).

Those working in certain industries are less likely to be offered health insurance and face a greater risk of being uninsured. In 1999, more than 30 percent of workers in the construction, agriculture, and natural resources (for example, mining, forestry, and fisheries) industries were uninsured. In contrast, 10 percent or less of workers in the finance, insurance, real estate, and public employment sectors were uninsured. (See fig. 5.)

<sup>5</sup>Agency for Healthcare Research and Quality, Center for Cost and Financing Studies, 1998 Medical Expenditure Panel Survey, Insurance Component.

**Figure 5: Likelihood of Being Uninsured Varies by Industry (1999)**



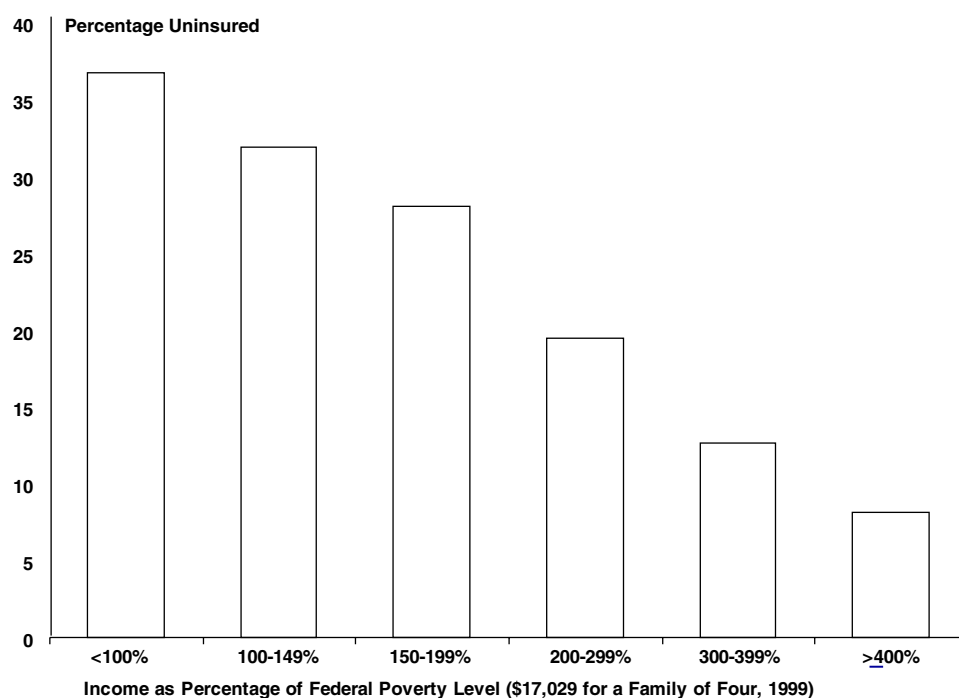
Source: GAO analysis of the March 2000 Supplement, Current Population Survey of nonelderly adults (18- to 64-year-olds).

### Despite the Availability of Public Programs, the Likelihood of Being Uninsured Is Strongly Related to Income

Despite the presence of Medicaid and other public programs that enroll millions of low-income Americans, many remain uninsured because either they are ineligible for public coverage (such as most childless adults, under Medicaid), or they are eligible but do not enroll. In 1999, 35 percent of individuals in families with incomes below the federal poverty level had Medicaid as their only source of health coverage, but a similar share were uninsured. More than half of the uninsured (54 percent) had family incomes less than 200 percent of the federal poverty level. Lower-income individuals are less likely to believe purchasing health insurance is affordable. Nearly three-quarters of uninsured adults surveyed for one study in 2000 cited the high cost of coverage as a major reason for their lack of coverage, nearly half of whom cited high costs as the most

important reason.<sup>6</sup> While low-income individuals were most likely to be uninsured, about 8 percent of those earning 4 times the federal poverty level or more (over \$68,000 for a family of four) were also uninsured. (See fig. 6.)

**Figure 6: Low-Income Persons Are More Likely to Be Uninsured (1999)**



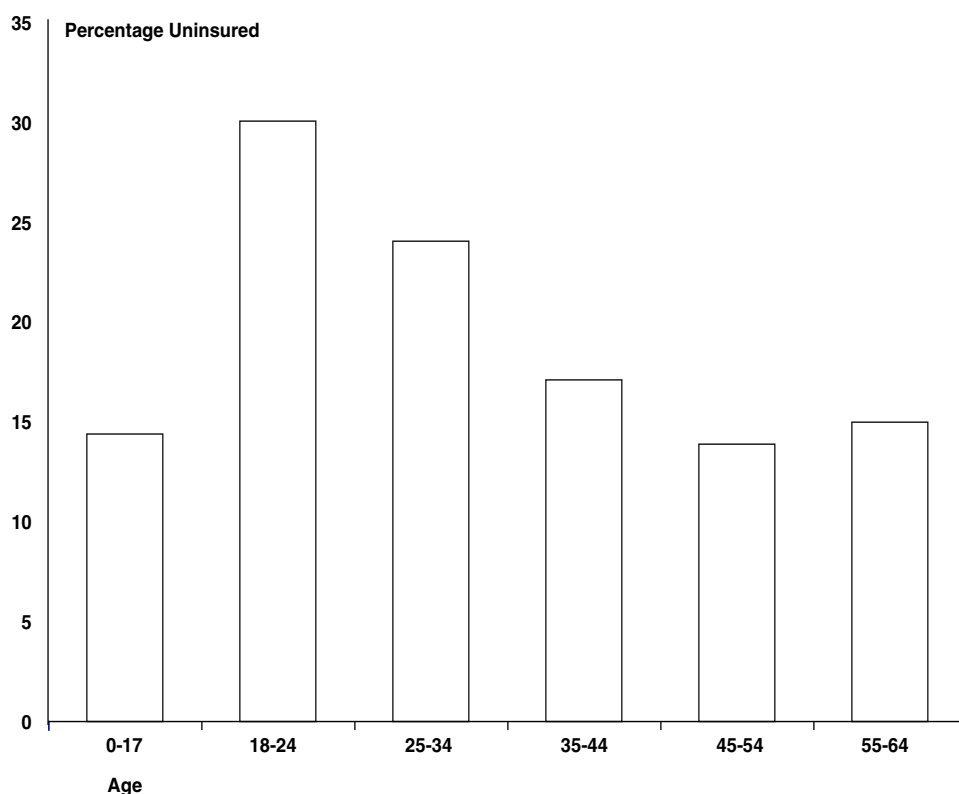
Source: GAO analysis of the March 2000 Supplement, Current Population Survey of nonelderly (under 65).

<sup>6</sup>*Uninsured in America—A Chart Book*, The Kaiser Commission on Medicaid and the Uninsured.

## Some Groups Disproportionately Uninsured for a Variety of Reasons

Certain groups—such as young adults, Hispanics, and immigrants—were disproportionately likely to be uninsured. Young adults, aged 18 to 24, were more likely than any other age group to be uninsured. (See fig. 7.) Young adults' transition to the workforce—often working part-time or for low wages, changing jobs frequently, and working for small employers—makes them less likely to be eligible for employment-based coverage. Moreover, if they are childless they generally are ineligible for public programs. In addition to being more likely to find insurance less affordable, young adults may value it less if they are healthy.

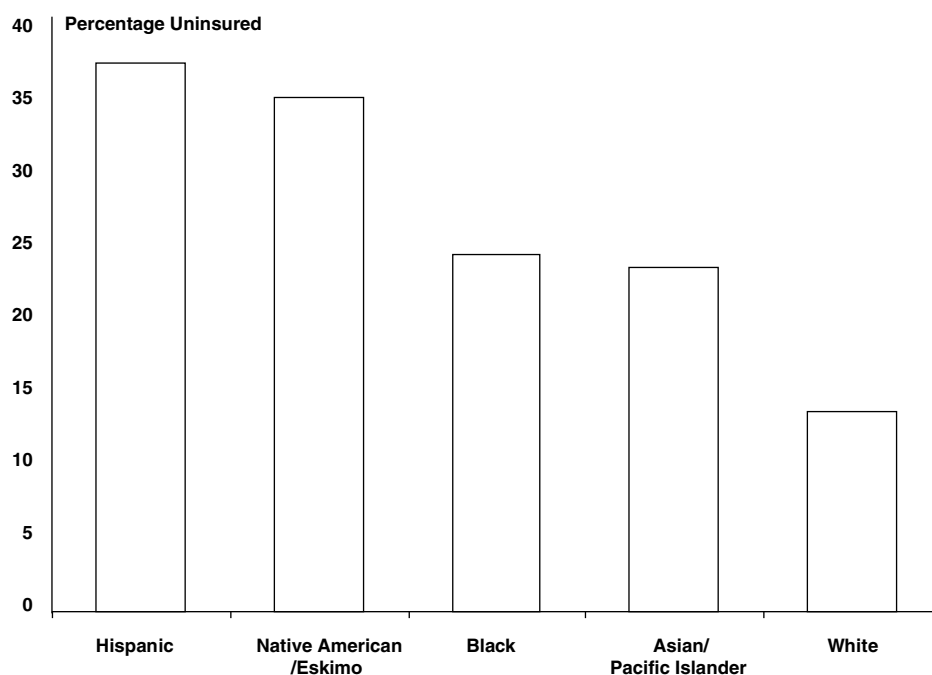
**Figure 7: Young Adults Most Likely to Be Uninsured (1999)**



Source: GAO analysis of the March 2000 Supplement, Current Population Survey of nonelderly (under 65).

While about half of the 42 million uninsured people in 1999 were white and non-Hispanic, racial and ethnic minorities faced a significantly greater risk of being uninsured. About one-third of Hispanics, Native Americans, and Eskimos were uninsured, compared with just over one-fifth of blacks, Asians, and Pacific Islanders and one-eighth of whites. (See fig. 8.)

**Figure 8: Minorities More Likely to Be Uninsured (1999)**



Source: GAO analysis of the March 2000 Supplement, Current Population Survey of nonelderly (under 65).

Disparities in uninsured rates among racial and ethnic groups are partially, but not fully, related to income. For example, among individuals with incomes below the federal poverty level, uninsured rates are similar for black and white non-Hispanics, but blacks are more likely to be uninsured than whites within higher income categories. Within all income categories, Hispanics and other non-black minorities are more likely to be uninsured than whites. (See table 1.)

**Table 1: Uninsured Rates by Race/Ethnicity and Income, 1999**

Income category (percentage of federal poverty level)	Percentage uninsured			
	White <sup>a</sup>	Black <sup>a</sup>	Hispanic	Asian, Eskimo, Native American, and Pacific Islander <sup>a</sup>
Less than 100 percent	32.1	30.5	45.4	43.6
100 to 199 percent	23.0	28.6	42.0	36.3
200 to 299 percent	14.7	22.2	32.8	24.9
300 to 399 percent	9.8	16.0	24.0	20.6
400 percent or more	6.7	12.7	15.8	11.8

<sup>a</sup>Only non-Hispanics were included in the white; black; and Asian, Eskimo, Native American, and Pacific Islander groups.

Source: GAO analysis of the March 2000 Supplement, Current Population Survey of nonelderly (under 65).

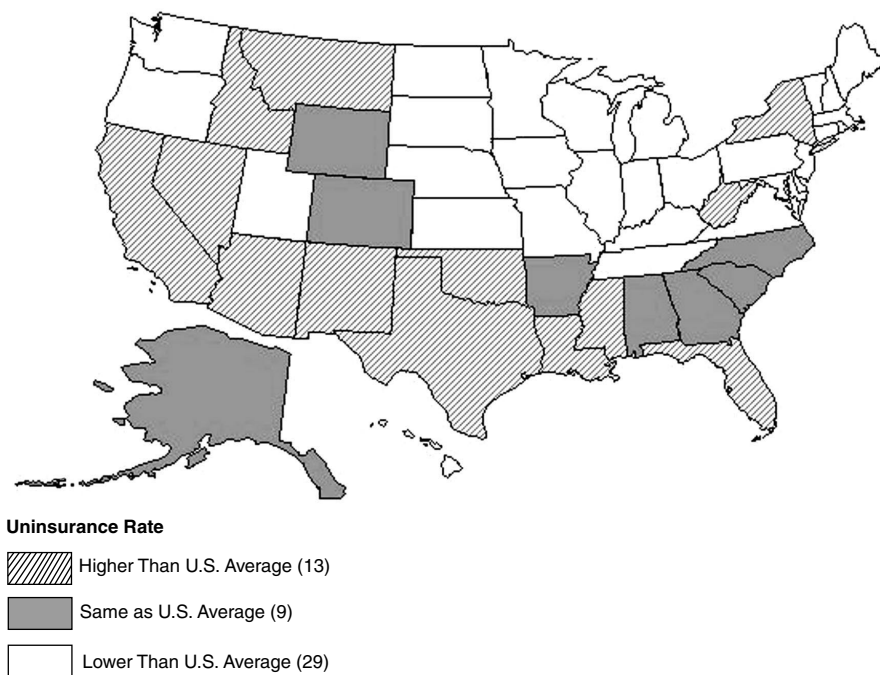
In addition, immigrants are more than twice as likely to be uninsured—about 37 percent compared with about 15 percent of nonimmigrants. Their higher uninsured rates are in part because they are more likely to be low-income and potentially facing legal and other difficulties in obtaining coverage under public programs such as Medicaid. In 1999, about 20 percent of immigrants from families earning less than the federal poverty level were covered by Medicaid, compared with nearly 38 percent of nonimmigrants. Lower Medicaid coverage rates may be related in part to recent changes in federal law that preclude certain immigrants from Medicaid and SCHIP eligibility for 5 years after immigrating to this country.<sup>7</sup> Individuals who are undocumented (illegal) aliens are ineligible for Medicaid and SCHIP coverage regardless of how long they have been in the country, with the exception of emergency treatment, for which they are covered under Medicaid. Moreover, undocumented individuals may be reluctant to seek Medicaid or SCHIP coverage for their citizen children for fear that program participation by any family members may impact their ability to remain in the country or sponsor other family members coming to the United States.

<sup>7</sup>Under the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, states may not use federal funds for Medicaid or SCHIP coverage for 5 years for certain immigrants arriving on or after August 22, 1996. States have the option of providing coverage to such immigrants entirely out of state funds; however, only about 13 states had done so as of October 2000.

## Uninsured Rates Vary Widely Among States

Health insurance coverage rates vary considerably across the nation. Generally, uninsured rates are highest in the South and West and lowest in the Midwest and Northeast. (See fig. 9.) In addition, more populous states such as Florida and New York tend to have higher rates of uninsured. New Mexico has the highest uninsured rate at 26.6 percent, while Minnesota has the lowest at 9.6 percent.

**Figure 9: States With High Uninsured Rates Concentrated in South and West (1998-99)**



Source: GAO analyses of the March 1999 and March 2000 Supplements, Current Population Survey of nonelderly (under 65). Estimates for 1999 and 2000 were combined to improve the precision of the state-level estimates.

States with high uninsured rates share many employment, economic, and demographic characteristics, which differ from the characteristics of



states with low uninsured rates.<sup>8</sup> We found that states with higher uninsured rates tend to have a disproportionate share of low-income, unemployed, Hispanic, and immigrant residents as well as fewer firms offering coverage.<sup>9</sup> (See table 2.) (See app. I for uninsured rates by state.)

**Table 2: States With High Uninsured Rates Share Some Economic and Demographic Characteristics**

State group	Economic characteristics		Demographic characteristics		
	Percentage of nonelderly below poverty level, 1998-99 <sup>a</sup>	Unemployment rate, 1999 <sup>b</sup>	Percentage of private firms offering coverage, 1998 <sup>c</sup>	Percentage of nonelderly Hispanic, 1998-99 <sup>a</sup>	Percentage of nonelderly non-native-born, 1998-99 <sup>a</sup>
13 states with significantly higher uninsured rates	15.6	4.9	50.5	24.5	16.8
9 states with uninsured rates not significantly different from the U.S. average	13.4	4.6	51.6	4.6	4.2
29 states with significantly lower uninsured rates	10.3	3.7	55.2	4.8	6.0

<sup>a</sup>Source: GAO analyses of pooled Current Population Survey March Supplements for 1999 and 2000. Estimates for 1999 and 2000 were combined to improve precision of the state-level estimates.

<sup>b</sup>Source: Bureau of Labor Statistics' Local Area Unemployment Statistics' annual averages for the civilian noninstitutional population 16 years and older.

<sup>c</sup>Source: Agency for Healthcare Research and Quality. Estimates from the 1998 Medical Expenditure Panel Survey—Insurance Component. Offer rates were not reported separately for the following 10 states and the District of Columbia: Alaska, Hawaii, Maine, Mississippi, Montana, Nevada, North Dakota, Rhode Island, South Dakota, and Vermont.

For example, the demographic profiles of both Florida and California—two large states with higher than average uninsured rates—are strikingly different from the nation as a whole. These two states have among the highest percentage of Hispanic and immigrant residents in the nation. The

<sup>8</sup>To compare these characteristics across states with high or low uninsured rates, we placed states into three groups: (1) the 13 states with uninsurance rates significantly higher than the U.S. average (as a group, averaging 22.9 percent of nonelderly residents uninsured), (2) the 8 states and the District of Columbia with uninsured rates not significantly different from the U.S. average (as a group, averaging 18.1 percent of nonelderly residents uninsured), and (3) the 29 states with uninsured rates significantly lower than the U.S. average (as a group, averaging 13.6 percent of nonelderly residents uninsured).

<sup>9</sup>Other demographic characteristics reviewed but found to be similar for higher and lower uninsured states include the proportion of black residents and median age for the nonelderly population.

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proportion of the Hispanic population in 1998-99 was more than two times greater in California (33 percent) than for the United States as a whole (13 percent). In Florida, immigrants composed more than 17 percent of the population, higher than the U.S. average of about 10 percent and lower only than California and New York. Some states with high uninsured rates, including Florida, Idaho, and Montana, have more of their workers in industries less likely to offer health insurance and fewer in industries more likely to offer it. For example, nearly 40 percent of Montana's workers are employed by the three industries with the highest uninsured rates (agriculture, construction, and trade), one-third more than the national average. Conversely, less than 20 percent of Montana's workers are in the three industries with the lowest uninsured rates (manufacturing, finance, and the public sector), about one-fourth less than the national average.

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## Concluding Observations

While the decline in the number of uninsured in 1999 following a long-term increase in this population is welcome news, it is too early to know whether this reflects a reversal in the trend. Recent expansions of public programs, such as the implementation of SCHIP, and the tight labor market likely contributed to the improved coverage. Even with these positive factors, the number of uninsured remains high, and any significant downturn in economic conditions could lead to a resumption in the growth of their numbers. The uninsured population is a diverse group, including individuals working in different industries and firms of all sizes as well as of different income levels, ages, races and ethnicities, and geographic locations. This heterogeneous nature of the 42 million uninsured Americans suggests that consideration of a combination of strategies might be appropriate in any efforts to expand health insurance coverage.

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Mr. Chairman, this concludes my statement. I would be happy to answer any questions that you or Members of the Committee may have.

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## GAO Contacts and Staff Acknowledgments

For more information regarding this testimony, please contact me at (202) 512-7118 or John Dicken at (202) 512-7043. JoAnne R. Bailey, Paula Bonin, Randy DiRosa, Betty Kirksey, and Elizabeth T. Morrison also made key contributions to this statement.

# Appendix I: Percentage of Nonelderly That Were Uninsured, by State

	1998-99 <sup>a</sup>	1994-95 <sup>a</sup>	Difference: 1994-95 to 1998-99
<b>States with uninsured rates significantly above U.S. average, 1998-99</b>			
New Mexico	26.6	27.3	-0.7
Texas	26.3	26.7	-0.4
Arizona	25.5	23.1	2.4
California	23.4	23.0	0.4
Louisiana	23.2	22.0	1.2
Nevada	23.2	19.4	3.8
Florida	22.0	21.1	0.9
Montana	21.5	15.3	6.2
Mississippi	20.9	21.3	-0.4
Oklahoma	20.8	21.2	-0.4
West Virginia	20.7	18.7	2.0
Idaho	20.6	15.7	4.9
New York <sup>a</sup>	19.1	17.7	1.4
<b>States with rates not significantly different from U.S. average, 1998-99</b>			
Arkansas <sup>a</sup>	19.3	20.2	-0.9
Alaska	18.9	13.4	5.5
South Carolina	18.7	16.0	2.7
Georgia	18.6	19.0	-0.4
District of Columbia	18.4	18.8	-0.4
Wyoming	18.3	17.1	1.2
<b>U.S. average</b>	<b>17.9</b>	<b>17.2</b>	<b>0.7</b>
Alabama	17.8	18.8	-1.0
Colorado	17.4	14.8	2.6
North Carolina	17.2	15.8	1.4
<b>States with rates significantly below U.S. average, 1998-99</b>			
New Jersey	16.5	15.4	1.1
Illinois	16.2	12.6	3.6
Kentucky	16.2	17.0	-0.8
Maryland	16.2	15.7	0.5
Oregon	16.2	14.4	1.8
Virginia	15.8	14.2	1.6
Washington	15.4	14.0	1.4
North Dakota	15.2	9.5	5.7
Utah	15.2	12.9	2.3
South Dakota	15.0	11.1	3.9
Delaware	14.9	16.3	-1.4
Indiana	14.2	13.1	1.1
Maine	13.9	15.3	-1.4
Michigan	13.6	11.6	2.0
Tennessee	13.5	13.9	-0.4

**Appendix I: Percentage of Nonelderly That  
Were Uninsured, by State**

	1998-99 <sup>a</sup>	1994-95 <sup>a</sup>	Difference: 1994-95 to 1998-99
Kansas	13.0	14.4	-1.4
Connecticut	12.8	11.1	1.7
Wisconsin	12.7	8.9	3.8
Vermont	12.3	12.1	0.2
Ohio	12.1	13.0	-0.9
New Hampshire	11.9	12.4	-0.5
Hawaii	11.8	10.2	1.6
Massachusetts	11.7	13.4	-1.7
Pennsylvania	11.5	11.9	-0.4
Nebraska	11.2	11.1	0.1
Missouri	10.8	15.5	-4.7
Iowa	10.2	12.1	-1.9
Rhode Island	9.8	14.4	-4.6
Minnesota	9.6	9.8	-0.2

<sup>a</sup> March 1999 and 2000 Supplements were combined, as were the March 1995 and 1996 Supplements, to improve the precision of the state estimates.

<sup>b</sup> States are categorized as higher than, similar to, or lower than the U.S. average based on whether the state-level estimate statistically is significantly different from the U.S. average. Because smaller states have smaller sample sizes in the Current Population Survey, the potential sampling error is larger in these states than in larger states. Thus, a specific uninsured rate may be significantly different from the U.S. average for one state but not for another with a smaller population and sample size. For this reason, New York's uninsured rate of 19.1 percent is significantly higher than the U.S. average, even though it is slightly lower than Arkansas' estimated rate of 19.3 percent, which is not significantly different from the U.S. average.

Source: GAO analyses of pooled Current Population Survey March Supplements for 1999 and 2000 and for 1995 and 1996 for the nonelderly population (under 65).

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